

The <u>Gas Mileage Guide</u> is Different Than CAFE

Background

EPA - generates two types of fuel economy values. Corporate Average Fuel Economy (CAFE) values are required by law and are used to determine whether manufacturers meet fuel economy standards. Label values, as listed in the <u>Gas Mileage Guide</u> are oriented toward consumers who wish to compare models based on the basis of fuel economy. The two types of mileage values are generated in different ways and are not directly comparable.

What are the differences between Guide values and CAFE values?

Both <u>Guide</u> and CAFE mileage values are based an the same set of basic fuel economy tests. However. <u>Guide</u> and CAFE values differ in the following ways-.

- 1. To derive <u>Guide</u> values, EPA adjusts the test data to better reflect real- world conditions. CAFE values are based on unadjusted test data.
- Quide values come out at the beginning of the production year. They reflect the average fuel economy of all configurations of a given model, and are based on manufacturer projections of the sales mix. Guide values are not recalculated at the end of the year to reflect the actual sales mix. CAFE values are calculated after the model year is completed and are based on actual sales as reported by the manufacturer.
- 3. <u>Guide</u> values consist of separate city and highway fuel economy estimates for each model type. CAFE values represent a combined fuel economy estimate in which the city mileage is weighted at 55 percent and the highway mileage is weighted at 45 percent (to reflect typical driving patterns in the U.S.).

Why are Guide values adjusted?

<u>Guide</u> and label values are provided as information that can help consumers choose a new vehicle. In making this choice, most consumers want an idea of the actual fuel economy performance a vehicle is likely to achieve. The controlled laboratory conditions under which EPA performs fuel economy tests has been found to be somewhat different than average real-world conditions, and result in fuel economy values that are considerably higher than the average consumer could expect to achieve on the road. EPA has conducted studies of the discrepancy between fuel economy performance in the lab and on the road, and has developed correction factors to account for the discrepancy. To achieve <u>Guide</u> values,

EPA multiplies unadjusted city test results by 0.90 and unadjusted highway results by 0.78.

Why isn't CAFE also adjusted?

Congress enacted the CAFE program to encourage the production of fuel- efficient vehicles, and CAFE standards are generated using a fixed method that is set by statute. Any attempt to adjust CAFE values to better reflect in- use performance would affect the stringency of the law as intended by Congress. The same idea holds for the Gas Guzzler Tax determinations. These are determined using the unadjusted combined city/highway value.

What are some implications?

Fuel economy averages listed in the <u>Guide</u> cannot be compared to CAFE- based averages without taking into account the adjustments described

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<u>Guide</u> values cannot be used to directly assess the ability of manufacturers to meet CAFE standards. However, EPA can use the

unadjusted values and sales projections from manufacturers to project what CAFE values may be. The final CAFE values will depend on final sales, additional test data, and production 'changes that occur during the

For more information, write or call Certification Division, NVFEL 2565 Plymouth Road, Ann Arbor, MI 48105 48105 (734) 214-4402

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